

Ten years down the road, HB 4001 will reduce state revenue by \$3.11 billion, the cost of funding the Department of Corrections and our state universities.

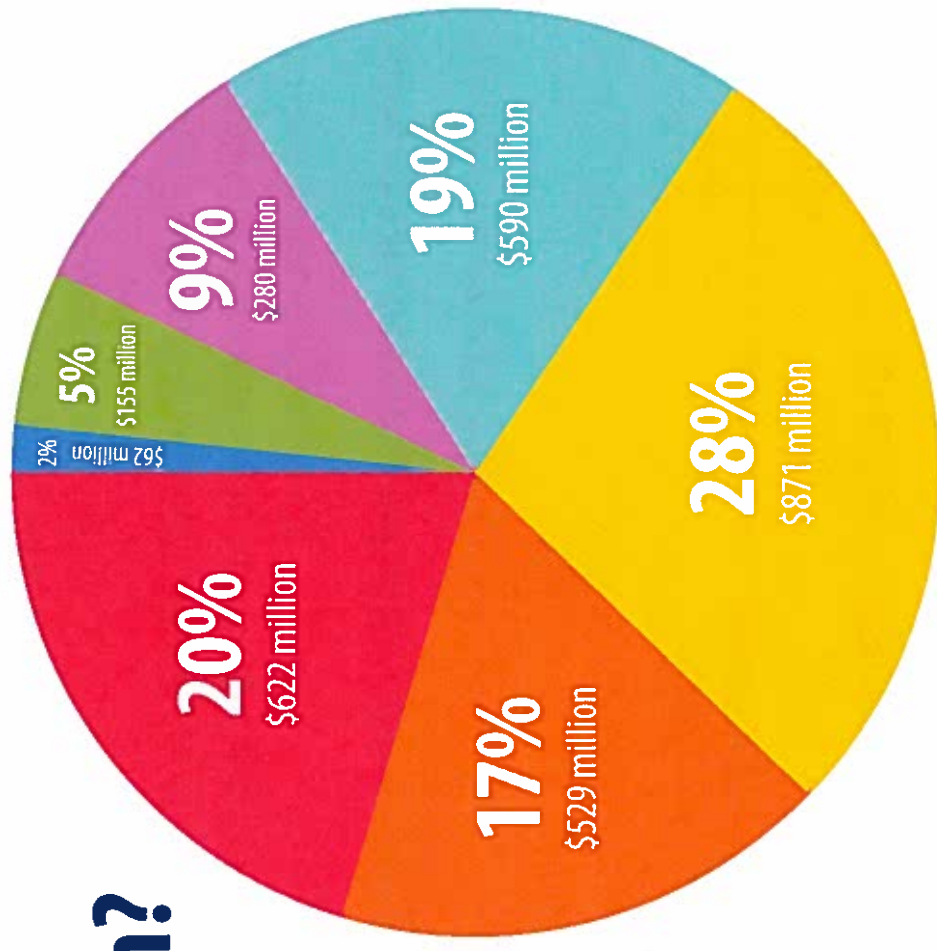
So it begs the question, who are we hurting and who are we helping? The wealthiest 20% will receive two-thirds of this tax break. Meanwhile, the working poor (the bottom 20%), will receive the scraps - a meager 2% - and would be absolutely devastated as they lose their health care, heating, food and nutritional assistance.

Low- and middle-income families (the bottom 60% of households) would receive only 16% of the tax savings, putting higher education further out of reach for many children as a few hundred dollars a year will not make up for the thousands in increased tuition costs that will result from eliminating the income tax.

Who gets the \$3.11 billion?

Households by income

- \$0 to \$21k - The Bottom 20%
- \$21k to \$39k - Second 20%
- \$39k to \$62k - The Middle 20%
- \$62k to \$102k - Fourth 20%
- \$102k to \$205k - Next 15%
- \$205k to \$472k - Next 4%
- \$472,000+ - The Top 1%



Who Benefits from HB 4001?

\$13,573

Average tax cut by household income after 10 years (3% rate)

The average tax savings for the top 1% would be \$13,573 a year, while the average tax savings for the working poor would be a meager \$56.

This plan would most certainly result in the elimination of Medicaid, which alone would bankrupt many of these families as the \$56 a year savings wouldn't even be enough to cover the cost of a checkup, not to mention the countless additional medical bills and the loss of heating, food and nutritional assistance.

This plan would also put higher education further out of reach for many children as a few hundred dollars a year will not make up for the thousands in increased tuition costs that will result from eliminating the income tax.

So again, who are we hurting and who are we helping? The answer is crystal clear.

Source: Institute on Taxation and Economic Policy (ITEP)

